

## HOUSE BILL NO. 300

INTRODUCED BY GALLIK, HARRIS, JENT

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE INSURANCE PRODUCER AND CONSULTANT CONTINUING EDUCATION ACT TO INCLUDE ADJUSTERS; AND AMENDING SECTIONS 33-17-1201, 33-17-1202, 33-17-1203, 33-17-1204, AND 33-17-1205, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 33-17-1201, MCA, is amended to read:

**"33-17-1201. Short title.** This part may be cited as the "Insurance Producer, Adjuster, and Consultant Continuing Education Act".

**Section 2.** Section 33-17-1202, MCA, is amended to read:

**"33-17-1202. Purpose.** The purposes of this part are to:

- (1) protect insurance consumers and dedicated insurance producers, adjusters, and consultants by requiring continuing education for insurance producers, adjusters, and consultants;
- (2) better educate insurance producers, adjusters, and consultants about changes in insurance law, products, ethical conduct as an insurance producer, adjuster, or consultant, marketing, and management; and
- (3) provide standards for the qualification of instructors, courses, and materials."

**Section 3.** Section 33-17-1203, MCA, is amended to read:

**"33-17-1203. Continuing education -- basic requirements -- exceptions.** (1) Unless exempt under subsection (4):

- (a) a person licensed to act as an insurance producer, adjuster, or ~~as a~~ consultant other than a person licensed for limited lines credit insurance shall, during each 24-month period, complete at least 24 credit hours of approved continuing education;
- (b) a person licensed to act as an insurance producer only for limited lines credit insurance shall, during each biennium, complete 5 credit hours of approved continuing education in the areas of insurance law, ethics, or limited lines credit insurance;

(c) a person licensed as an insurance producer, adjuster, or consultant shall, during each biennium, complete at least 1 credit hour of approved continuing education on changes in Montana insurance statutes and administrative rules.

(2) If a person licensed as an insurance producer, adjuster, or consultant completes more credit hours of approved continuing education in a biennium than the minimum required in subsection (1), the excess credit hours may be carried forward and applied to the continuing education requirements of the next biennium.

(3) The commissioner may, for good cause, grant an extension of time, not to exceed 1 year, during which the requirements imposed by subsection (1) may be completed.

(4) The minimum continuing education requirements do not apply to:

(a) a person holding a temporary license issued under 33-17-216; or

(b) an insurance producer, adjuster, or consultant otherwise exempted by the commissioner."

**Section 4.** Section 33-17-1204, MCA, is amended to read:

**"33-17-1204. Review and approval of continuing education courses by commissioner -- advisory council.** (1) The commissioner shall, after review by and at the recommendations of the advisory council established under subsection (2), approve only those continuing education courses, lectures, seminars, and instructional programs that the commissioner determines would improve the product knowledge, management, ethics, or marketing capability of the licensee. Course content, instructors, material, instructional format, and the sponsoring organization must be approved and periodically reviewed by the commissioner. The fee for approval of a course, lecture, seminar, or instructional program is listed in 33-2-708(2). The commissioner shall also determine the number of credit hours to be awarded for completion of an approved continuing education activity.

(2) The commissioner shall appoint an advisory council, pursuant to 2-15-122, consisting of at least one representative of the independent insurance agents of Montana, one representative of the Montana association of insurance and financial advisors, one representative of the professional insurance agents of Montana, one representative of the Montana state adjusters association, one title insurance producer, two public members who are not directly employed by the insurance industry, one insurance producer or consultant not affiliated with any of the three listed organizations, and a nonvoting presiding officer from the department who will be appointed by the commissioner as a representative of the department. The members of the council shall serve a term of 2 years, except that the initial term of the representative from each organization is 3 years. The commissioner shall consult with the council in formulating rules and standards for the approval of continuing education activities

1 and prior to approving specific education activities. The provisions of 2-15-122(9) and (10) do not apply to this  
2 council.

3 (3) In conducting periodic review of course content, instructors, material, instructional format, or a  
4 sponsoring organization, the commissioner may exercise any investigative power of the commissioner provided  
5 for in 33-1-311 or 33-1-315.

6 (4) If after review or investigation the commissioner determines an approved continuing education  
7 activity is not being operated in compliance with the standards established under this section, the commissioner  
8 may revoke approval, place the activity under probationary approval, or issue a cease and desist order under  
9 33-1-318."

10  
11 **Section 5.** Section 33-17-1205, MCA, is amended to read:

12 **"33-17-1205. Compliance -- failure to comply -- rulemaking authority.** (1) Each person subject to  
13 the requirements of 33-17-1203 shall file biennially in a format supplied by the commissioner certification as to  
14 the approved courses, lectures, seminars, and instructional programs successfully completed by that person  
15 during the preceding biennium.

16 (2) If a person fails to comply with this section, the person's license lapses.

17 (3) In the continuing education affidavit, an insurance producer or adjuster shall report to the  
18 commissioner the final disposition of any administrative action or the final disposition of any criminal action taken  
19 against the insurance producer or adjuster in another jurisdiction or by another governmental agency in this  
20 state. As used in this subsection, "final disposition of any criminal action" means a plea agreement or sentence  
21 and judgment.

22 (4) Each person providing approved courses, lectures, seminars, and instructional programs, including  
23 insurance company education programs, shall file annually with the commissioner an alphabetical list of the  
24 names and addresses of all persons who have successfully completed an approved continuing education activity  
25 during the preceding calendar year.

26 (5) The commissioner may, following the process provided for in 33-1-314, withdraw approval of all  
27 courses, lectures, seminars, and instructional programs of any person that fails to comply with subsection (4).  
28 The commissioner may, after having conducted a hearing pursuant to 33-1-701, impose a fine upon a person  
29 that has failed to comply with subsection (4). The fine may not exceed the penalty permitted by 33-1-317.

30 (6) The commissioner may adopt rules establishing the requirements for biennial filing and reporting

1 of continuing education credits."

2

- END -